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DD/S

9 July 1959

1. Gordon Stewart and I met with General Cabell to discuss the Efficiency Task Force Report which the Director is supposed to talk about at the Senior Staff Meeting on Monday. We agreed that we should not <sup>Mention</sup> maintain specific numbers although it was thoroughly understood by the Deputy Directors that our objective was to accomplish a 3% reduction by 30 June 1960. I emphasized to General Cabell that I doubted very seriously if this could be accomplished and Gordon also explained to him briefly our "age in grade" problem and the difficulty of separating people without providing some kind of an annuity.

We also discussed Mr. Bissell's "marriage to aliens" paper and General Cabell indicated that he did not approve of reducing any policy to writing and that he intended to tell Mr. Bissell to continue to process these cases, as at present, for consideration on an individual basis. H

I also advised General Cabell of my concern about the fact that we had not decided what to do about the NIS Program and he said that he would raise this at the next Deputies' Meeting.

2. I met with Ed Saunders and Jim Garrison and a number of their people to discuss a property accountability system which would insure that we were not over-obligated at the end of the Fiscal Year. I agreed that the system proposed by the Comptroller would accomplish our purpose and was about as simple as we could make it. However, there was concern expressed because this would be more work for the field stations and they are almost certain to protest. I advised them that I felt very strongly that we had to have such a system and that unless the Director instructed me otherwise we were going to implement it. H

3. The Director advised me that at the request of Mr. Stans, Bureau of the Budget, they are to meet on Wednesday, 15 July, to discuss the Fiscal Year 1961 Budget. I have alerted Ed Saunders and have asked him to prepare the necessary material by Monday, 13 July.

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25X1A6a 4. [REDACTED] reported that he had completed his investigation of the [REDACTED] at the [REDACTED] and his report, "11 pages," was in the typewriter. From my telephone conversation with him I am satisfied that there is no malfeasance at [REDACTED]. However, I am also satisfied that everyone at [REDACTED] and in the Office of Communications is simply opposed, as a matter of principle, to have [REDACTED]. Despite all of my efforts to convince them to the contrary they still feel that they will not be [REDACTED] operates the [REDACTED]. This is certainly not true of our experience at [REDACTED] and I see no reason why it should be true at [REDACTED]. While I want to consider Rex's report, in view of the importance of getting our personnel ceiling down, I feel sure that I am going to have to insist that we proceed to have [REDACTED] take this over.

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5. I met with Matt Baird and [REDACTED] to discuss the Inspector General's Report on the Assessment and Evaluation Staff of the Office of Training. It was agreed that Ed would be relieved as Chief of the A&E Staff immediately and that his resignation from the Agency would be effective 1 September 1959. (See Memorandum For the Record dated 10 July 1959.)

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